

CALIFORNIA EMPLOYER

Second Quarter 1999

Taxpayer Service Centers offer one-stop convenience for employers

To make it easier to get the tax information and assistance you need to comply with state tax requirements, the Employment Development Department (EDD) is working in partnership with the Franchise Tax Board (FTB) and the State Board of Equalization (BOE) to improve our customer services.

One improvement that saves time and travel for taxpayers is locating the field

offices of each agency in the same location when possible. This provides one-stop convenience for taxpayers and tax professionals who have business with more than one agency.

These new Taxpayer Service Centers are especially helpful to new business owners, who can now obtain in one location all the tax information they need to start and operate their business.



The Taxpayer Service Center in Sacramento is one of six locations offering employers one-stop service.

TAXPAYER SERVICE CENTERS

<u>Location</u>	<u>Address</u>	<u>EDD Phone #</u>	<u>Agencies Onsite</u>
Bakersfield	1800 30th St., Su. 390	(805) 395-2896	EDD, FTB, BOE
Long Beach	4300 Long Beach Bl., Su. 700A	(562) 428-0021	EDD & FTB
Sacramento	3321 Power Inn Rd., 2nd Fl.	(916) 464-3502	EDD, FTB, BOE, ABC*
San Bernardino	464 W. 4th St., 4th Fl.	(909) 383-4176	EDD & FTB
Stockton	31 E. Channel St., Rm. 219A	(209) 956-1438	EDD, FTB, BOE
Ventura	4820 McGrath St., Su. 250	(805) 654-4506	EDD, FTB, BOE

*ABC - Alcoholic Beverage Control

Currently, EDD is a partner in six Taxpayer Service Centers throughout the state. All Service Centers are open Monday through Friday from 8 a.m. to 5 p.m. For your convenience, the table at left lists the address and EDD telephone number for each Service Center.

In the future, EDD and our partner agencies plan to open additional Taxpayer Service Centers at other locations throughout the state.

Looking for an easier way to file your reports and pay employment taxes?

If so, EDD's new Tax Telefile Program may be for you! If you employ a small number of employees or household workers, Telefile allows you to file your wage reports (DE 6 or DE 3BHW) and pay your employment taxes (DE 88 or DE 3HW) by telephone—not by mail and check.



Telefile is a *voluntary* electronic filing option and we invite you to give it a try. Telefile registration packages will be mailed out over the next several months to employers with one to six employees. When you receive your package, please take a minute to read our invitation and

registration instructions. Registration is easy and, since you are not required to use Telefile, you have nothing to lose by casting your line into the Telefile waters!

If you don't have time to look at the package now, please keep it in your files to review later. The package contains a temporary Personal Identification Number (which you will need if you decide to register for Tax Telefile), plus everything you need to register and start filing your reports and tax payments electronically by telephone.

You can also download Telefile instruction forms from our website at

www.edd.ca.gov/taxfo.htm. If you would like Telefile forms sent to you, please call Telefile customer service at 1-800-796-3524, or e-mail us at ecom@edd.ca.gov.

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Access many government agencies at Taxpayer Service Days

In partnership with local, state, and federal agencies, EDD is again cosponsoring Taxpayer Service Days in various locations around California.

These events are unique, all-day educational conferences designed to assist small business owners by providing the opportunity to access numerous government agencies at a single location.

Taxpayer Service Days benefit everyone: established businesses, those just getting started, individuals anticipating going into business, and individuals in the accounting and taxation industry.

You can obtain forms, publications, and answers to your questions at information booths and through classes from

tax experts. Classes cover topics such as reporting requirements, and employee and independent contractor relationships. You will also have an opportunity to talk with our Taxpayer Rights Advocate staff.

There is no cost to participate in these events, but we do recommend that you make reservations if you plan to attend a workshop. Information on upcoming Taxpayer Service Days is shown below.

<p>TAXPAYER SERVICE DAYS</p>	<p>• LOS ANGELES (<i>Small Business Fair</i>) West Los Angeles College October 1, 8:30 a.m. - 3 p.m. Call: (310) 342-1080 Fax: (310) 342-1063</p>
<p>• ORANGE COUNTY Calif. State University, Fullerton September 24, 8:30 a.m. - 3:30 p.m. Call: (949) 461-5754 Fax: (949) 461-5757</p>	<p>• SAN DIEGO Point Loma Nazarene University October 16, 9 a.m. - 3 p.m. Call: (760) 744-1330, ext. 410 Fax: (760) 744-8057</p>



Check out our no-cost employment tax seminars

Did you know that EDD offers no-cost informational seminars to help you understand and comply with California employment tax laws? Best of all, these seminars can be customized to meet the specific needs of your business or organization.

For more information on payroll tax seminars in your area, please visit our website at www.edd.ca.gov/txsem.htm, or call the appropriate telephone number for your area:

- Central Valley, North (916) 464-3502
- Central Valley, South (805) 335-7329
- Central and North Coast (408) 277-9400
- San Luis Obispo, Santa Barbara, and Ventura Counties (805) 677-2785
- Orange County and Inland Empire (714) 288-2619
- Los Angeles County (562) 904-1005
- Imperial and San Diego Counties (619) 516-1943

Annual interest rate set at 7 percent

For the period July 1 through December 31, 1999, the adjusted interest rate for delinquent taxes and contributions will be 7 percent (.07), compounded daily. The daily interest factor will be .000192.

If you have any questions regarding the annual interest rate, please contact your nearest Employment Tax Customer Service Office.

More UI information for employers added to EDD's Internet site

As a result of suggestions provided by the Small Business Employers Advisory Committee (SBEAC) at our quarterly meetings, EDD has recently expanded our Internet site to include more unemployment insurance (UI) information for employers. The SBEAC, which is comprised of representatives from businesses that collect and remit payroll taxes, provides EDD's Tax Branch with input on issues that affect the small business community.



These additions to our website include:

- Our UI service telephone listings have been expanded to include our business hours, the best times to call EDD offices to receive the quickest customer service, and the use of the Teletypewriter (TTY) for deaf and hard of hearing callers.
- An "About the UI Program" feature is now available that provides links to the UI Code and EDD fact sheets.
- With help from SBEAC, our "Frequently Asked Questions" have been revised to include more employer-related questions.
- The UI *Benefit Determination Guide* is now available for reference online. This guide is used by EDD staff to determine whether or not a claimant is eligible for UI benefits, and if an employer's account will be charged for the benefits.

We invite you to visit our website at www.edd.ca.gov to see these improvements. Select the "For Employers" section to see the "UI Information" menu with the items discussed above.

Information for EFT credit filers to ensure timely and accurate postings

If you pay by Electronic Funds Transfer (EFT) through the Automatic Clearing House (ACH) credit method, please use the following information to ensure that your EFT payments are processed and posted to your account timely and accurately:

- Do not use any type of punctuation in your entries.
- Report your full eight-digit EDD employer account number.
- Report payroll dates as YYMMDD (for example, October 28, 1999, should be reported as 991028).
- Use tax type code 01300 to make prepayments of UI and/or ETT, and include the specific quarter ending date of the prepayment (for example,

use 991231 for the fourth quarter of 1999, and 990630 for the second quarter of 1999).

<u>TAX TYPE CODES</u>	<u>DEPOSIT/PAYMENT TYPE</u>
UI/ETT:	
01300.....	Quarterly*
DI/PIT:	
01100.....	Semi-weekly
01101.....	Monthly
01102.....	Next banking day
01104.....	Quarterly*
Penalty & Interest:	
20000.....	Penalty & Interest*
*Please use the quarter ending date when prompted for the date.	

- Use separate transaction codes for each different type of payment (please see table at left).
- Verify that the total amount you are reporting agrees with the total UI and ETT, DI and PIT, or penalty and interest.
- Be sure to notify your bank in time to assure the EFT transmission is received timely.

To request an *EFT Information Guide* (DE 27), an *EFT Application* form (DE 26), or for more information on EFT, please contact:
 EDD, EFT Unit - MIC 15
 P.O. Box 826880
 Sacramento, CA 94280-0001
 Telephone (916) 654-9130

Don't let a temporary disability destroy your financial security

If you are self-employed, you can protect yourself against loss of income due to injury or illness with Disability Insurance Elective Coverage (DIEC) offered by EDD. This program acts as a safety net to those small business owners, entrepreneurs, and self-employed individuals who make up a large portion of companies doing business in California.

The DIEC program offers you:

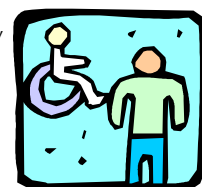
- Protection whether an injury or illness is work-related or not.
- Benefits for pregnancy-related disability.

- A benefit waiting period of only seven days.
- No disqualification or higher premiums based on age, occupation, or previous health history.
- Up to 39 weeks of paid benefits.
- DIEC premiums may be waived during periods you are disabled.

To qualify for these benefits, you must apply for DIEC, be approved for coverage, and pay quarterly premiums prior to becoming disabled. Generally, a minimum of seven months must elapse from the effective date of your

coverage before a valid claim for DI may be filed.

For more information about DIEC, please contact your local EDD Disability Insurance Office or Employment Tax Customer Service Office, or visit our Internet sites:



- Frequently asked questions: www.edd.ca.gov/difaq9.htm
- To download a DIEC application: www.edd.ca.gov/de1378di.pdf

What factors can trigger an employment tax audit by EDD?

The employment tax audit program administered by EDD is designed to verify that all businesses are properly complying with California's employment tax laws. The most common reasons a business may be selected for an employment tax audit are:

- A worker files a claim for unemployment or disability insurance benefits and the worker's payments are not reflected on our records.
- Internal Revenue Service 1099-MISC forms issued to workers who are treated as independent contractors.
- Failure to file payroll tax returns and/or pay employment taxes.
- Collaborative information received from other government agencies, businesses, or workers.
- Specific industries with a history of unreported workers, such as construction, manufacturing, service, and agriculture.
- The *Employee Determination Guide* (DE 38) is used by business owners to determine if a worker is most likely an employee or an independent contractor.
- A *Determination of Employment Work Status* (DE 1870) may be completed and sent to EDD to request a ruling letter on the status of a worker or a class of workers.

One focus of the audit program is to identify instances where workers have been incorrectly classified as independent contractors. The following forms and publications can help you determine whether your workers are independent contractors or employees:



- Information sheets provide guidance on general employment laws as well as information for specific industries.

To obtain an information sheet, a DE 38, a DE 1870, or specific reporting requirements, please contact your local Employment Tax Customer Service Office or visit our Internet site at www.edd.ca.gov.

Administrative Law Judge public forum offers topics for employers

The Administrative Law Judges Association's (ALJA) annual public forum will be held September 16 and 17, 1999, at the Palm Springs Riviera Resort & Racquet Club in Palm Springs.

This year's topics and programs will be of special interest to individuals and organizations who wish to learn more about unemployment insurance (UI) and disability insurance (DI) benefits, and the appeals process. A special program on violence in the workplace is also being planned for this year's forum.



The ALJA is a private professional organization of the California Unemployment Insurance Appeals Board Administrative Law Judges.

The Appeals Board is an independent, impartial agency that hears and decides appeals and petitions in the areas of UI and DI claims.

When employers and workers appeal EDD determinations and rulings, the appeals are submitted to the Appeals Board for judicial resolution.

Details about the forum, registration, and hotel accommodations will be mailed in early July 1999. If you would like to be added to the mailing list, confirm that you are on the mailing list, or request more information, please mail or fax your name, title, organization name, mailing and e-mail addresses, and telephone number to:

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3517 Camino Del Rio South, Su. 310
San Diego, CA 92108-4027
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Financial and business assistance available for small business

Dedicated solely to helping California's small businesses, the Office of Small Business (OSB) within the California Trade and Commerce Agency offers several programs that provide valuable financial or business assistance. These programs include:

SMALL BUSINESS DEVELOPMENT CENTER (SBDC) PROGRAM: Provides the ABCs for business success through one-on-one consulting, training workshops, educational seminars, and other resources. Consultations and access to libraries are free, and fees for workshops, seminars, and small business conferences are nominal. The SBDCs are located throughout California. Visit the SBDC website at www.commerce.ca.gov/business/small/starting/sb_sbdc.html, or call 1-800-303-6600 for the nearest center.

CALIFORNIA SMALL BUSINESS LOAN GUARANTEE PROGRAM:

Enables small businesses to obtain term loans or lines of credit when they might not otherwise qualify. By offering a guarantee to lenders, this program provides necessary security for approval of a loan or line of credit. State guarantees are issued by eight nonprofit Small Business Financial Development Corporations. This program also offers loans for farms, commercial fishing vessels, underground storage tank replacement, and hazardous waste reduction. For more information or the location of a Financial Development Corporation, call (916) 322-5790.

ADVOCACY ASSISTANCE: For self-help, OSB offers the Small Business Wizard (Biz Wiz), an Internet prob-

lem-solving tool that points users to the best available small business resources. Access the Biz Wiz at www.commerce.ca.gov/business/small/bizwiz. Additionally, OSB (in collaboration with other agencies) publishes the *California License Handbook*, available in printed form or on the Internet at www.commerce.ca.gov/business/small/management/pub/license.

The OSB also provides direct assistance on individual problems such as nonpayment of state-contracted work and business start-up. For more information about OSB or these programs, please call (916) 322-5790.

California Employer

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The EDD is a recipient of federal and state funds, is an equal opportunity employer/program, and is in compliance with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. Special requests for alternate formats need to be made by calling (916) 654-7079.

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Employment Tax Information

General Information or Requests for Tax Forms (25 copies or less)	Call the nearest Employment Tax Customer Service Office
Forms Requests (more than 25 copies)	(916) 322-2835 Fax: (916) 928-5910
Register for an EDD Employer Account #	(916) 654-7041 Fax: (916) 654-9211
Electronic Funds Transfer	(916) 654-9130 Fax: (916) 654-7441
Magnetic Media Reporting	(916) 654-6845 Fax: (916) 654-7441
Alternate Forms Coordinator	(916) 255-0649 Fax: (916) 255-0629

Telefile	1-800-796-3524
Electronic Data Interchange	(916) 255-1649
Tax Rates & Benefit Charge Information	(916) 653-7795
New Employee Registry	(916) 657-0529 Fax: (916) 653-5214
Offers in Compromise	(916) 464-2726 Fax: (916) 464-2121
Underground Economy Oper. Ctr.	(916) 464-1075, Ext. 299 Fax: (916) 464-1020
Office of the Taxpayer Rights Advocate	(916) 654-8957 Fax: (916) 654-6969
EDD's Website:	www.edd.ca.gov